

**MINUTES OF THE  
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE**

Room 30 West House Building, State Capitol Complex

January 30, 2014 PM

**Members Present:** Sen. Allen M. Christensen, Co-Chair  
Rep. Ronda Rudd Menlove, Co-Chair  
Rep. Daniel McCay, House Vice Chair  
Sen. Deidre M. Henderson  
Sen. Luz Robles  
Sen. Brian E. Shiozawa  
Sen. Evan J. Vickers  
Sen. Todd Weiler  
Rep. Rebecca Chavez-Houck  
Rep. Tim M. Cosgrove  
Rep. Paul Ray  
Rep. Edward H. Redd  
Rep. Marc K. Roberts

**Members Excused:** Rep. Tanner

**Members Absent:** President Niederhauser  
Rep. Dee

**Staff Present:** Mr. Russell T. Frandsen, Fiscal Analyst  
Mr. Stephen C. Jardine, Fiscal Analyst  
Ms. Paula Winter, Secretary

**Note:** A copy of related materials and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order/Approval of Minutes**

Co-Chair Menlove called the meeting to order at 2:19 pm

**MOTION:** No minutes to approve

**2. Unfinished items from the previous agenda**

A. Update on changing to plastic eligibility cards in Medicaid

1. Michael Hales, Deputy Director, Utah Department of Health (UDOH), introduced Nathan Harrison, Finance Director, Department of Workforce Services (DWS), and addressed the issue of plastic eligibility cards. Mr. Hales stated the program will transition over in July 2014. There will be communication with providers beginning in May to inform them about the change and how Medicaid eligibility can be determined using the website link on the card. Client information will be provided also. Mr. Hales reported that there are some one-time expenditures to put the program in place but the ongoing savings beginning in FY 2016 will be \$480,000 of General Fund.

Sen. Christensen communicated with Mr. Hales about the how frequently new cards would be

issued. They discussed various plans and situations. Sen. Menlove asked Mr. Hales to give an update after the program is in place.

**B. Update on implementation of S.B. 180 Medicaid reform**

1. Mr. Hales informed the Committee that this was passed in 2011. The payment method was changed to include incentives and paying for quality of care. The plan went live in January of 2013. He continued to explain the operation of the plan and that the transition went well with the exception of a few issues with the special needs population. Mr. Hales continued to review how the system is working. He stated that quality outcomes will be focused on as the heart of the Accountable Care Organizations (ACO) reform. He gave details on how the program allows for flexibility and explained about how care can be delivered. He informed the Committee that by spring of next year there should be a report available to measure the quality of care and evaluate how the reforms are working. He indicated that currently Weber, Davis, Salt Lake, and Utah counties are enrolled in the ACO membership model and it is largely for acute care services including the pharmacy benefits. Mr. Hales explained that the mental health, dental health, and long term care services are not currently available under the Accountable Care model. He stated that the goal is to advance the availability to Cache, Washington, and Iron counties as well as integrating long term care, mental health and dental care into the model.

Rep. Menlove inquired about solid cost data to help us look at the program and Mr. Hales suggested looking at the State General growth fund and seeing if it is growing less than the General Fund as a measure of success.

Rep. Redd asked if there were areas where there may be issues with the program. Mr. Hales again explained that a few families had some concerns in navigating some areas but for the most part it was successful. Rep. Redd also expressed concern over the change itself and how different it is. Mr. Hales and Rep. Redd continued to converse about the question.

Sen. Christensen had a question about someone who may be living in one of the covered counties but goes outside of the area and if services would be paid for. Mr. Hales explained how services would be covered.

**3. Review of Department of Health's Medicaid and Health Financing Budget**

([http://le.utah.gov/lfa/reports/cobi2014/LI\\_LGA.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_LGA.htm))

a. Funding reductions and revenue options  
(<http://le.utah.gov/interim/2014/pdf/00000702.pdf>) #17

a. Medicaid Restricted Account -Russell Frandsen, Fiscal Analyst stated that there is a balance of \$41,400 in this account and that it has been there for the last several years. Revenue is received from unspent appropriations at the year end from the Medicaid account. He also said that because of the federal stimulus and other legislation more revenues have prevented from being added. Mr. Frandsen

explained that the restrictions on the account are fairly permissive and stated that the fund has been used for a number of purposes. The staff recommendation is to sweep the balance and use it for another purpose. He also explained that restrictions on the funds could be put in place by statute and tighten up the uses.

Sen. Christensen asked for some clarification on the spending of the funds and Sen. Redd asked what the funds could be used for and asked for clarification on that. Mr. Frandsen replied that it can be used for anything. The conversation continued about the issue.

b. Expenditure trends that may be of interest

Mr. Frandsen spoke briefly about each of the following with recent increases or decreases of over 15%:

i. Programs total - decrease with a projected increase

ii. Personnel services – projected increase

iii. Current expense – decrease of 40% from FY 2009- FY 2013

iv. Vehicles – decrease in vehicles from FY 2009 to FY 2013

c. Federal funds in the Department of Health – Issue Brief

<http://le.utah.gov/interim/2014/pdf/00000860.pdf>

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #1C)

d. Other seeded services

[http://le.utah.gov/lfa/reports/cobi2014/LI\\_LGA.htm#appr\\_LGL](http://le.utah.gov/lfa/reports/cobi2014/LI_LGA.htm#appr_LGL))

e. Three proposed performance measures to include in appropriations acts via intent language

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9E)

Michael Hales informed the Committee that this line item includes all of the administration of the Medicaid program:

The performance measures are:

1. Total Medicaid dollars spent

2. Percent of clean claims adjudicated within 30 days of submission

3. Eligibility determinations and the accuracy of those

Mr. Hales explained how those three measures were determined and what they cover.

Sen. Christensen Rep. Menlove and Mr. Hales continued to clarify the third measure and how it may be affected by Department of Workforce Services (DWS). Rep. Menlove also requested that Mr. Hales rewrite the measure of Medicaid dollars spent as well as continuing to clarify the measures and the relationships between the departments.

Rep. Roberts asked for clarification on Medicaid dollars spent and whether that was the State's match for Medicaid or federal dollars or a combination of both. Mr. Hales clarified for him.

Mr. Frandsen suggested two ways to help rewrite the measure.

f. Agency request for non-lapsing authority

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #3V)

Mr. Hales explained the requirements that the federal government has implemented in the Medicaid program which have dealt with the conversion of different systems as well as a necessity to remediate existing systems. He also stated that all of these projects are multi-year or new projects that will span a fiscal year. He informed the Committee that there are also other requirements necessary and the purpose of this request is to take appropriations previously given and be able to carry them forward into the projects mentioned to be able to complete them.

**MOTION:** Sen. Christensen moved to approve the following motions for the Department of Health, Medicaid and Health Financing line item from the sheet entitled Social Services Subcommittee – Motions for Subcommittee consideration dated 1/24/2014 12:47 p.m. items # 1C and 3V.

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Henderson, Sen. Robles, Sen. Weiler, Rep. Ray, Rep. Tanner, President Niederhauser and Rep. Dee absent for the vote.

#### **4. Review of Department of Health's Medicaid Sanctions Budget**

([http://le.utah.gov/lfa/reports/cobi2014/LI\\_LDA.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_LDA.htm))

- a. Three proposed performance measures to include in appropriations acts via intent language

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9F)

- b. Agency requests for non-lapsing authority

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #3P)

Michael Hales reported on the line item which is an account that holds funds when nursing homes are penalized for noncompliance of certain regulations. He stated that there are limited uses for which the funds can be expended. He explained that money from this fund could be used to transition someone who may need to be transferred if there is immediate jeopardy in a situation that has not been remediated and needs to be taken care of. There are no real performance measures. The DOH is asking to manage these funds.

**MOTION:** Sen. Christensen moved to approve the following motions for the Department of Health's Medicaid Sanctions line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/24/2014 12:47 PM: Item#3P

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Ray and President Niederhauser and Rep. Dee absent for the vote.

#### **5. Department of Health's Children's Health Insurance Program (CHIP) Budget.**

([http://le.utah.gov/lfa/reports/cobi2014/LI\\_LPA.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_LPA.htm))

Michael Hales spoke about what CHIP is and who it provides for. He indicated there is a change coming because of the Affordable Care Act (ACA) that will allow those who have assets to transfer from a CHIP benefit to a Medicaid benefit. He indicated three performance measures

which are (<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9G):

1. Percentage of children less than 15 months old that received at least 6 or more well-child visits
2. Percentage of members ages 12-21 years of age who had least one comprehensive well-care visits
3. Tracking enrollment by January 1, 2015

Mr. Hales clarified how the program is currently administered. He stated the purpose of the three performance measures. Mr. Hales continued reporting on the success of the program.

Rep. Menlove thanked Mr. Hales for the information and appreciated the way the Department had benchmarked their information with other information and also for the progress made. Mr. Hales suggested the best way to get to the website is to go to [health.utah.gov](http://health.utah.gov) and search CAHPS where there will be information to look at.

Rep. Cosgrove complimented Sen. Knudson for the work he has done on this.

Rep. Roberts asked for clarification on the ages and those treated. Mr. Hales clarified.

Rep. Menlove asked a question about the enrollment tracking and Mr. Hales replied that it was a target for projecting how many might be on the program. Rep. Menlove asked Mr. Hales to tweak the performance measure to be clearer. She also asked Mr. Hales to explain some of the changes coming with the ACA. Mr. Hales proceeded to do so.

**MOTION:** Sen. Christensen moved to approve the following motions for the Department of Health's Children's Health Insurance Program line item from the sheet entitled :Social Services Subcommittee - Motions for Subcommittee Consideration: dated 1/24/2014 12:47 PM: item #1C

Motion passed unanimously with Rep. Tanner excused for the vote and Rep. Cosgrove, Rep. Redd, President Niederhauser, Rep. Dee absent for the vote.

## **6. Review of Department of Health's Medicaid Mandatory Services Budget** ([http://le.utah.gov/lfa/reports/cobi2014/LI\\_LHB.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_LHB.htm))

- a. Funding reductions and revenue options (none)
- b. Expenditure trends that may be of interest
  - i. Personnel services increase in 2013 – FY 2015 decrease
- c. Other state funds
  - i. Hospital Provider Assessment Expendable Special Revenue Fund – this is an assessment on the hospitals used to increase their rates.
  - ii. Nursing Care Facilities Account – this is an assessment on Nursing Care Facilities used to increase their rates.

- d. Performance measure trends - Mr. Frandsen reviewed each area:
- i. Percentage of Children (Less Than 15 Months Old) That Received at Least Six or More Well-child visits
  - ii. Percentage of Members (12-21 Years of Age) Who Had at Least One Comprehensive well-care Visit
  - iii. Percentage of Consumers Satisfied with Their Medicaid Managed Health Care Plans

- e. Three proposed performance measures to include in appropriations acts via intent language <http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9H)

Mr. Hales referred to motion #9H and the performance measures:

- i. Percent of adults ages 45-64 with preventative care visit
- ii. Percent of deliveries that had a post-partum visit between 21 and 56 days after the delivery
- iii. Percent of customers satisfied with their managed care plan

Rep. Menlove addressed a concern about funds contributed by a hospital provider and the \$1.5 million amount that is there and if the hospital providers may not need to contribute as much. Mr. Hales replied that they are asking to raise the spending authority for that account so they can spend the funds there.

**MOTION:** Sen. Christensen moved to approve the following motions for the Department of Health's Medicaid Mandatory Services line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/24/2014 12:47 PM: #9H

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Henderson, Rep. Cosgrove, Rep. Redd, President Niederhauser and Rep. Dee absent for the vote.

## **7. Review of Department of Health's Medicaid Optional services budget**

([http://le.utah.gov/lfa/reports/cobi2014/LI\\_LJA.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_LJA.htm))

- a. Funding reductions and revenue options

<http://le.utah.gov/interim/2014/pdf/00000678.pdf>

- i. Lower than expected Autism Caseloads – Mr. Frandsen explained the pilot project and the remaining funds

- b. Three proposed performance measures to include in Appropriations Acts via intent language

<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9I)

Michael Hales reported on the three performance measures

- i. Preferred Drug List Savings
- ii. The Effectiveness of the Emergency Dental Program
- iii. Individuals in the new Choices Waiver

He continued to explain the ramifications of these measures.

Sen. Shiozawa commented on success of performance of the dental program in keeping patients out of the Emergency Room.

**MOTION:** Sen. Christensen moved to approve the following motions for the Department of Health's Medicaid Optional Services line item from the sheet entitled "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/24/2014 12:47 PM: #9I.

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Henderson, Rep. Redd, Sen. Niederhauser and Sen. Dee absent for the vote.

**8. Workforce Services' Housing and Community Development Base Budget**  
([http://le.utah.gov/lfa/reports/cobi2014/LI\\_NSA.htm](http://le.utah.gov/lfa/reports/cobi2014/LI_NSA.htm))

a. Funding reductions and revenue options

(<http://le.utah.gov/interim/2014/pdf/00000702.pdf>)

- i. Automatically Take the 2% Maximum for Administration From the Permanent Community Impact Fund – Mr. Frandsen clarified the use of the revenues.

Gordon Walker, Division Director, Housing and Community Development, Department of Workforce Services, explained the revenues that are brought into the Permanent Community Impact Board which is a Governor appointed board and how they are administered. He explained that they are authorized to use up to 2% of the money but only on authority of the Board. It would be necessary to run legislation to be able to use the full amount if necessary.

Mr. Frandsen clarified why this was on the list.

Rep. McCay inquired about the necessity of having to use the remainder of the funding and Mr. Walker explained what the community impact funds would be used for and how the remaining funds accrued. Rep. McCay and Mr. Walker continued to discuss the issue.

b. Federal funds in the Department of Workforce Services – Issue Brief

(<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #1C)

c. Agency explanation of federal reserves over three months

Mr. Walker explained about the HOME program which is a federal grant used to build affordable housing. He explained the cyclical nature of the funding and how which affects the amount of money in reserves at times.

e. Other state funds - Mr. Frandsen discussed the following:

- i. Methamphetamine Housing Reconstruction and Rehabilitation Fund  
(<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #8B)

- ii. Mineral Lease Account
  - iii. Olene Walker Housing Loan Fund
  - iv. Pamela Atkinson Homeless Account
  - v. Permanent Community Impact Loan Fund
  - vi. State Small Business Credit Initiative Program Fund
- (<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #1D, 1F, & 8O)

Mr. Frandsen explained the recommendations for motions #1D, 1F, & 8O.

**MOTION:** Sen. Christensen moved to approve for the Housing and Community Development from the sheet entitled “Social Services Subcommittee – Motions for Subcommittee Consideration” dated 1/24/2014 12:47 PM: items #1D, 1F and 8O.

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Henderson, Sen. Vickers, Sen. Weiler, Rep. Ray, President Niederhauser and Rep. Dee absent for the vote.

- f. Performance measure trends - Mr. Frandsen explain the items:
  - i. Reduce Chronic Homeless Population
  - ii. Permanent Community Impact Fund

Sen. Robles had a question about the definition of homelessness and when it would be discussed. Mr. Walker and Sen. Robles continued to discuss the issue of homelessness.

- g. Three proposed performance measures to include in Appropriations Acts via intent language
  - i. Ending Chronic Homelessness – with a target of 9% reduction per year
  - ii. Utilities Assistance for Low Income Households - target of 35,000 households
  - iii. Weatherization Assistance – target of 800 homes annually

Rep. Menlove requested information of where they are at this point. Mr. Walker reported results. They continued to clarify the performance measures.

g. Three proposed performance measures to include in Appropriations Acts via intent language Gordon Walker explained items 9Y, 9Z, 9AA, 9AB, 9AC, 9AD and 9AF with some conversation and clarification on each item. There were some questions and discussion about a few items.

(<http://le.utah.gov/interim/2014/pdf/00000631.pdf>, #9U, 9Y, 9Z, 9AA, 9AB, 9AC, 9AD, & 9AF)

h. Agency Requests for non-lapsing authority

Mr. Walker explained that the Lantern House in Weber County had previously been allocated \$1 million. The project has not begun and they need non-lapsing authority to continue. Also another \$500,000 had been allocated to The Volunteers of America who have

found property but need the non-lapsing permission to continue. There was also reference to the winter shelter in Midvale and discussion about the funds allocated for that. The \$500,000 went back to the General Fund.

Rep. Menlove emphasized how important it was to have details about how funding will be spent and that itemized budgets will be requested so the same things doesn't happen again.

Mr. Frandsen explained motions 9W and 9V for the Committee.

Rep. Redd questioned why the zoo was in the Department of Workforce Services (DWS). Rep. Menlove answered that it was recommended by the executive branch to relocate this entity into the DWS.

**MOTION:** Sen. Christensen moved to approve for the Department of Workforce Services' Housing and Community Development line item and associated restricted funds from the sheet entitled : "Social Services Subcommittee – Motions for Subcommittee Consideration" dated 1/24/2014 12:47 PM: items 1C, 3F, 6I, 9U, 9Y, 9Z, 9AA, 9AB, 9AC, 9AD, 9AF, 9V & 9W.

Motion passed unanimously with Rep. Tanner excused for the vote and Sen. Henderson, Sen. Vickers, Sen. Weiler, President Niederhauser and Rep. Dee absent for the vote.

**MOTION:** Rep. McCay and Rep. Roberts moved to adjourn.

Motion passed unanimously.

Rep. Menlove adjourned at 5:01 pm

Co-Chair Christensen stated that the next meeting would be held on January 31, 2014 at 8:00 a.m.